Testimony of Neil J. Griffin Jr., Executive Director, Glastonbury Housing Authority Submitted to Housing Committee March 4, 2014

SENATE BILLS 365: An Act Concerning Waiting Lists for Public Housing-SUPPORT

The issuance of capital plan report commissioned by CHFA reinforces the State Financed Housing Portfolio's extensive capital needs and need for action to help preserve and sustain the portfolio. The current model for the State housing Portfolio requires the programs to serve the poorest of the poor. This model results in little to no opportunity to build capital reserves and achieve long-term sustainability without government subsidies, which in general are not provided to properties in the state housing portfolio.

One of the operating inefficiencies that have contributed to this problem is the waiting list requirements which are outlined in the Regulations of Connecticut State Agencies, Section 8-37ee-1 through Section 8-37ee-314.

The present regulations are clearly written for initial lease up and not for ongoing operations. This results in agencies awkwardly trying to fit ongoing operations into the regulations resulting in an inefficient operation. Some of the inefficiencies required by the regulations include: requiring notification to the department 90 days prior to marketing [8-37ee-7], requiring the waiting list to have application periods that must have a deadline (i.e. close the waiting list)[8-37ee-307]; the requirement for waiting lists to use the regulations point system or a random lottery [8-37ee-305].

The present point system leads to only the lowest income households being housed since they tend to achieve the highest number of points. This provides for limited to no opportunity for a property to develop a sustainable revenue stream.

The random lottery method requires a property to close its waiting list to be able to conduct a lottery, then notify the department 90 days in advance of its intent to advertise the reopening of the waiting list [8-37ee-302 (b)(4)]. The property then needs to advertise the opening of the waiting list and reopen it for at least 90 days [8-37ee-303]. This random lottery process is cumbersome, time intensive and expensive, as small and medium PHAs often need to supplement staffing. The delays related to administering the process on an ongoing basis could lead to vacancy loss if sufficient applicants do not remain on the waiting list between lottery selections. One positive use of a random lottery method is for accepting applications after a waiting list has been closed. Allowing a random lottery to occur for applications received within a predetermined timeframe, such as the first 30 days, allows equal access to a waiting list that is just opening and provides better service to applicants by preventing waits in long lines. Subsequent to the lottery period, placement on the waiting list should revert to date and time if the waiting list is to remain open. Date and time is currently used for federal waiting lists. We urge that the waiting list requirements be statutorily amended to allow for date and time waiting list management and income tiering.

Utilizing both of these changes would create a waiting list by income level and date and time. This tool would allow properties to then income tier their apartments allowing for a mixing of incomes within the property and allowing for a prescribed revenue stream. Income tiering can be achieved while serving a percentage of the lowest income households along with a balance from other income categories as is done in low income housing tax credit (LIHTC) properties. This flexibility would enhance the properties', in the state financed housing portfolio, ability to become independently sustainability.

Ultimately, the waiting list process utilized by each PHA needs to consider its staffing resources and unit availability; and is an efficient means to achieving its leasing goals.